MULTIMEDIA UNIVERSITY

STUDENT IDENTIFICATION NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2015/2016

PLC0015 – INTRODUCTION TO COMMERCIAL LAW

(All Sections/ Groups)

04 March 2016
09:00 a.m. – 11:00 a.m.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of seven (7) pages including the cover page.
2. Answer **All** questions.
3. All answers should be written in the Answer Booklet.

SECTION A: TRUE (T) /FALSE (F) QUESTIONS [15 MARKS]

1. Generally, the High Court has unlimited civil and criminal jurisdiction.

2. The Sessions Court may try an action of civil nature in respect of motor vehicle accidents where the amount involved is RM 255,555-55.

3. Benjamin lost his claim against Octavia in Sessions Court. If he is dissatisfied with the said decision, he should files an appeal to the Court of Appeal.

4. Municipal law is law passed by a state's legislature and applies only to the said sovereign state.

5. The *Emergency (Essential Powers) Act 1964* is a subsidiary legislation.

6. When a party to a contract has refused to perform his promise in its entirety, both parties may put an end to the contract.

7. Agency by necessity is formed when a principal and an agent expressly agree to enter into an agency agreement with each other.

8. Richard found Rita's purse and returns it to her. She promises to give Richard RM5,000-00. There is a contract between them.

9. An agreement which is enforceable by law at the option of one or more of the parties thereto, but not at the option of the others is a void agreement.

10. An agreement to sell is also known as an executed contract of sale.

11. The communication of the revocation of an acceptance is complete as against the promise, when it is put into a course of transmission to the promisor.

12. Substantive law lays down the rules governing the manner and procedure in which the laws are to be administered and enforced by the legal institutions.

13. Nicolas supplies Berni, a mentally disordered person, with necessaries suitable to her condition in life. Nicolas is entitled to be reimbursed from Berni's property.

14. An agency enables a person to carry out his works or purposes without requiring himself to do so personally.

15. Alo promises to pay Buck RM100-00, if Spot helps him modify his car. However, after Spot has modified the car, Alo refuses to pay Buck the said sum. Buck cannot sue Alo because there is no consideration given by him.

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SECTION B: MULTIPLE CHOICE QUESTIONS [15 MARKS]

1. A general agent with extensive authority is called as _____. He can do all acts which a principal may personally do.
   A. Factor
   B. Broker
   C. Special agent
   D. Universal agent

2. *Adat Temenggung* is based on the _____ system and is _____ in nature.
   A. patrilineal; autocratic
   B. matrilineal; autocratic
   C. patrilineal; democratic
   D. matrilineal; democratic

3. Agency by ratification is formed when the principal ratifies the previous act of:
   i. a person who misrepresents himself as the principal's agent;
   ii. an agent who was duly appointed by the principal;
   iii. a person who has no authority to act for the principal has acted as if he has the authority;
   iv. an agent who was duly appointed has exceeded his authority;

   A. i & iii
   B. ii & iv
   C. i, ii & iii
   D. i, iii & iv

4. These two (2) provisions provide for the application of English law in Malaysia.
   A. Section 1 & 3 of the Civil Law Act 1956
   B. Section 3 & 5 of the Civil Law Act 1956
   C. Section 3 & 5 of the Specific Relief Act 1950
   D. Section 1 & 3 of the Specific Relief Act 1950

5. The High Court may try all these types of cases **EXCEPT**
   a. All civil cases.
   b. All criminal cases.
   c. All motor vehicles accidents.
   d. All winding up and bankruptcy applications.

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6. The law of agency in Malaysia is governed by _____.

   A. Contracts Act 1950.
   B. Hire Purchase Act 1967.
   C. Agency Act 1950.
   D. Sale of Goods Act 1957.

7. An auctioneer's request for bids at an auction is _____.

   A. an offer.
   B. an invitation to treat.
   C. a promise.
   D. an advertisement.

8. The following statement is true about the Parliament **EXCEPT**

   A. It creates legislation.
   B. It is subject to the Federal Constitution.
   C. It can pass any law even if it is inconsistent with the Federal Constitution.
   D. The law it creates is known as an Act.

9. S. 2 of the Age of Majority Act 1971 provides that the age of majority in Malaysia is _____ years old.

   A. 16
   B. 21
   C. 18
   D. 25

10. This is the highest court in the Malaysian Legal System.

    a. The Federal Court.
    b. The Supreme Court.
    c. The Yang Di-Pertuan Agong.
    d. The Privy Council.

11. In determining a case, a judge is subjected to the doctrine of _____ whereby he is bound to follow decision made by previous higher court where the material facts are the same.

    a. judicial decision.
    b. judicial precedent.
    c. judicial predicament.
    d. judicial pronouncement.

Continued...

12. An agreement which is unenforceable by both parties is called a _____ agreement, whereas an agreement which is enforceable by one party only is called a _____ agreement.

    a. void; valid.
    b. void; voidable.
    c. voidable; void.
    d. voidable; valid.

13. Alex is Brown's employee. Brown did not appoint Alex as his agent. However, Brown instructs or allows Alex to order goods on his behalf from the supplier and Brown will pay for them. Alex is the _____ of Brown by _____.

    a. agent; implication.
    b. principal; implication.
    c. agent; express appointment.
    d. principal; express appointment.

14. Where under contract of sale, the property in the goods is transferred from the seller to the buyer, the contract is called _____, but where the transfer of the property in goods is to take place at a future time or subject to some condition thereafter to be fulfilled, the contract is called _____.

    a. a contract of sale; a sale.
    b. an agreement to sell; a sale.
    c. a sale; an agreement to sell.
    d. an agreement to sell; a contract of sale.

15. The owner must serve on the hirer and guarantors a copy of the hire-purchase agreement within _____.

    a. 7 days after it is made.
    b. 14 days after it is made.
    c. 21 days after it is made.
    d. 30 days after it is made.

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SECTION C: ANSWER ALL QUESTIONS [70 MARKS]

QUESTION 1 [20 MARKS]

(a) Haris arrives at Hotel Galaxy. Once he steps in the lobby area, he slips and falls as the floor was wet and slippery. There were no warning signs cautioning that the floor was wet. As a result of the fall, Haris sustained severe injuries and he now wants to commence a legal action against the Hotel.

Haris seeks your advice as to what law is applicable to the above situation.

(5 marks)

(b) Jerry, driving his car under alcohol influence, knocked into Mike's car and caused injury to Angelina. A fight broke up between Jerry and Mike. Jerry tried to punch Mike but missed. Mike then grabbed an iron bar from the damaged car and hit Jerry with it. Jerry tried to stop it using his hand but broked his arm. Explain the type of actions available to the parties.

(5 marks)

(c) Faris was charged in the court with the offence of theft which carries the maximum sentence of 7 years imprisonment. The judge sentenced him to 6 years imprisonment. Dissatisfied with the sentencing he appealed to the subsequent court. Identify and briefly explain the courts that have the jurisdiction to try the above case.

(5 marks)

(d) Distinguish between Civil Law and Criminal Law.

(5 marks)

QUESTION 2 [25 MARKS]

(a) Alexander, a handsome and genius 15-year-old boy was granted by the JPA a scholarship to study Foundation at Multimedia University. He borrowed RM4,000 from Thomas and spent RM2,000 to buy a Tag Huer watch. The balance was spent on a diving trip in Sabah. Alexander was unable to adapt with the university life and finally quit from the University. He also failed to repay his loan with Thomas. JPA and Thomas threaten to take legal action against Alexander. Alexander comes to see you for legal advice. Advise Alexander.

(16 marks)

(b) Cynthia was a guardian of Taj when Taj was a child. She voluntarily spent money in renovating the house of Taj by borrowing money from the Bank. Taj promised Cynthia that he would pay the amount she had spent on the house. Afterwards Taj refused to pay, Cynthia sued Taj. Will Cynthia succeed? Discuss.

(9 marks)

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QUESTION 3 [25 MARKS]

(a) Richard was in Dreamland Furniture shop to purchase a set of sofa and refrigerator for his new house. The price of both goods are RM5,000 each. Since Richard has only RM5,000, he intended to make payment by cash for refrigerator and by instalments for the sofa. Explain the statues applicable to both transactions.

(5 marks)

(b) Explain the procedure for the formation of a hire-purchase agreement.

(5 marks)

(c) Sophie offers to sell her iPad to Hanna and states that acceptance in writing must reach her office by 15 June 2015. Explain the legal situation in the following circumstances.

(i) Hanna posted a letter of acceptance to Sophie on 10 June 2015, which arrives at Sophie's office on 16 June 2015.

(ii) Hanna telephones Sophie on 14 June 2015 accepting the offer but Sophie insisted that Hanna must accept in writing.

(iii) Hanna sends a fax to Sophie at 4:00p.m. on 15 June 2015 but Sophie's fax machine was out of order at the time. By the time Hanna rushed to Sophie's office, the office was already closed.

(15 marks)

End of Paper